

TRIAL COURT COLLECTION POLICY GUIDELINES

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INTRODUCTION

The following guidelines for establishing collections policies are based on the Michigan Trial Court Collections Standards and similar procedures utilized by successful courts throughout the country. Written collections policies contribute toward more effective court collections by ensuring that all participants have a clear understanding of their respective roles in the collections process and that collections activities are conducted consistently. These guidelines are intended to assist court managers in developing appropriate policies for their own courts that will improve the integrity and effectiveness of the collections process.

PAYMENT POLICIES

Payment Due at Time of Assessment, Exceptions; Showing of Good Cause

Pursuant to MCR 1.110, the court will expect payment at the time of assessment except for good cause. Staff should inform defendants that financial obligations are due on the day of sentencing. Defendants and other persons who owe fines and assessments and who indicate an inability to pay on the sentencing date should be referred to the judge to personally request time to pay.

The court should set guidelines for what constitutes good cause and what information is needed to justify the granting of time payments. The definition of good cause and the basis for determining need may be different, depending on the type of case and debt. For instance, a defendant should be required to provide financial information at sentence to justify time payments. Reimbursements for childcare, however, are obligations that accrue over time. The court may require that the debtor (usually a parent) periodically update their financial status information.

Payment policies should also outline how the debtor must make a request for time to pay, what information must be provided, and the consequences of non-compliance. This may involve developing a payment agreement specifying payment dates and amounts. The consequences of failure to comply should be defined in policy and provided in writing to the debtor.

Information to be Provided to the Court

The court should specify what information must be provided to the court when installment or deferred payment is allowed and under what circumstances. For instance, the court should request a social security number from the defendant requesting time to pay on a traffic case, but request more complete information, such as banking and employment information, for larger debts. If the court requires a financial statement to be prepared, court policy should specify how and when this information is collected.

Some options to consider are:

- Including a financial profile in the pretrial screening process

- Including a financial profile as part of the probation pre-sentence process
- Having a financial profile completed prior to court appearance for those persons who anticipate requesting additional time.

Payment Types

The court should identify the types of payment allowed (cash, personal check, credit card) for various types of assessments. Policy should identify the circumstances in which third party payments may be made. If the court has special procedures for debtors with prior payment problems (i.e., NSF checks, late payments) this should be included in the policy.

Minimum Payment, Number of Payments, Maximum Period

The court should establish a policy for the minimum payment amount to be accepted, allowable payment periods (weeks, months), and the maximum period allowed. These policies may vary according to the total owed or the type of case. For instance, the court may adopt a policy that prohibits multiple payments for civil infractions, or payments that are less than a certain amount per payment.

Provide Written Notification of Amounts Due and Due Dates to the Debtor

The most effective agreements contain specific payment amounts and dates. The court's policy should indicate how far in advance the court is to be notified when the debtor will miss a payment. The debtor should be required to appear in court or at the clerk's office when requesting an extension and, if necessary, update their financial information. These requirements should be in writing and included on the payment plan information provided to the debtor. The phone number or person to contact regarding non-payment should also be included. The court may consider establishing a show cause docket that deals specifically with payment issues.

Payment Agreement

The court should provide the debtor with a copy of their payment agreement. The payment agreement should set forth all requirements of the payment agreement. It should also provide procedures to follow regarding inability to make a payment and changes in personal information or financial status. The policy should address how and when staff will provide this information.

Under/Over Payment

On occasion, the court will receive payments that are over or under the amount due. If an overpayment is received, policy should address:

- Application of overpayment to other debts or debts that are not yet due.
- Minimum amount at which the court will refund the excess amount.
- Procedures for notification of the debtor.
- If payment is by check, the period of time to wait for the check to clear before issuing a refund.

When an underpayment is received, the court should determine under what circumstances enforcement action would be taken. This may depend on the amount of the underpayment. For instance, for small amounts it may be more economical to send a notice only or to wait until the next payment period passes before taking full enforcement action.

Civil and Probate Filing Fees

If a party requests a waiver of filing fees, court policy should provide guidance for litigants and staff regarding the financial information that must be furnished to the court to support the request for waiver.

ENFORCEMENT

Progressive Sanctions for Non-Compliance

Experience has demonstrated that applying timely and progressively severe sanctions for failure to comply with payment orders is the most cost-effective approach for collections. The court should establish enforcement timelines that specify the progressive sanctions taken for failure to pay various types of assessments. The timeline should specify the actions to be taken, when they will be taken, and any additional assessments that will be imposed at each step.

The following table is provided as an example of an enforcement timeline. In this case the court has established separate timelines for each case type, as well as a distinction between misdemeanor cases with payments under \$50 versus those with an outstanding debt of \$50 or more. The timeline table specifies the number of days past the due date that action is taken and the additional penalties assessed at each step. If the court uses an outside collection agency, this information should be included in the timeline.

Table 1: *Sample Enforcement Timeline*

Type of Assessment	Default Judgment		Late Notice	FAC/FCJ	Show Cause	Bench Warrant	Tax Intercept		Collection Agency
	Days	\$	Days	Days	Days	Days	Days	%	Days
Traffic CI	+1	\$10	+28	+14			+56	20%	
Traffic Misd.			+28	+14	n/a		+56	20%	
Misd. < \$50			+7		+21	FTA/ FCJ			180
Misd. \$50+			+7		+21	FTA/ FCJ	+56	20%	

Financial Penalties as Condition of Probation, Responsibility of Probation Department

When a defendant is placed on probation and assessed fines, costs, or restitution, the role of the probation department should be clearly defined. Either the probation officers should monitor payments or the clerk's office should monitor them and provide information to the probation department. The policy should define under what circumstances the probation department will request a show cause or violation of probation warrant when a payment is missed and how often this will occur. Probation officers should check payment status sufficiently in advance of the end of the probation period so that enforcement action can be taken prior to discharge.

NSF Policy

Court policy for non-sufficient funds checks should include:

- Reinstatement of the action to the pre-payment status
- Assessment of NSF fee
- Notice to the debtor

- Enforcement through the prosecutor

Application of Bond

Policies for application of outstanding bond should be stated, including application to financial obligations and costs, disposition of third party bonds, and forfeiture procedures. The court may also adopt policies that include setting cash bond amounts on bench warrants that are equal to the total outstanding debt.

ADMINISTRATION

Entry of Payment Information.

Payment information should be entered into the accounting system as soon as possible. The court should specify procedures for staff to follow when entering payment information, including:

- Financial history information
- Correction of inaccurate balances
- Maintenance of records, etc.
- Processing of mail payments, logs
- Payments over/under amount due

Application of Payments to Multiple Debts

The court should be prepared to accept payments for multiple debts and should establish a policy for the application of payments that defines the priority for application of payments. For example, the court may adopt a policy of applying a payment to the oldest case first, or to cases where restitution is due (statutory requirements for application of payments should be followed). Local courts are encouraged to collaborate on collections and develop procedures and/or systems for sharing debtor and account information.

Tracking Partial Payment Plans/Account Review

The court should establish time frames for monitoring accounts and review of delinquent accounts. In automated courts, the timelines may be built into the court financial system programs and reports. In manual systems, the policy should describe procedures for entering payment information, payment tracking systems, review of outstanding assessments, notification, and enforcement.

Duties of Staff

The coordination of collection activities requires that staff clearly understand their responsibilities, and the relationship of their work to the collections process as a whole. The court should specify in writing the various responsibilities of staff in the collections process to ensure consistency and compliance. The following are examples of issues that may need to be addressed:

Probation

- Monitoring accounts
- Violation of probation for failure to pay
- Financial screening and payment recommendations as part of the PSI

- Early discharge
- Determination of restitution

Clerk

- Completion of wage assignment agreement
- Monitoring accounts
- Timeliness of entry of financial data
- Authority for determining payment terms and granting extensions

Magistrates/Referee

- Setting payment terms in accordance with guidelines established by the chief judge

Cashier

- Application of payments to multiple debts
- Under/over payments

Collections Officer

- Collection of financial information
- Monitoring accounts
- Authority for granting extensions, installment payments

The attachment entitled *Sample Policy Format* and the related flow chart is provided as an example of a policy format. This format specifies the procedures and persons responsible for the particular collection activity; in this case, the conversion of fines to community service.

Alternative Sanctions

The court may establish a standard schedule for alternative sanctions when a defendant is deemed to be indigent. Policies should include criteria for determining indigence and specify any financial information that is provided to the court to support the claim. The court may further develop a chart for converting the outstanding debt to community service or other sanctions.

Reports and Evaluation

All relevant reports relating to collections should be documented, including directions for their use and frequency of generation. Courts are encouraged to set collections goals and to develop appropriate reporting mechanisms for monitoring progress.

DISCHARGE OF DEBT

Write-Off Policy, Procedures

A write-off policy establishes criteria and procedures for writing off debts, which are not collectible. Write-off is an *administrative* procedure to remove a debt from the list of amounts

the court can expect to collect. Courts are encouraged to adopt the SCAO Model Write-Off Policy included with this document.

Waiver or Suspension of Debt

In certain cases, circumstances may warrant the partial or complete waiver or suspension of a debt, which is a **judicial** action to forgive the debt. Examples of situations when debt may be waived or suspended include: the debtor is indigent, the debtor successfully disputes the validity of an assessment, or the court imposes alternative sanctions. Debts that may warrant such action are not written off. The assigned judicial officer should order in writing or on the court record the waiver or suspension of debt. The court should have established procedures for debtors to follow in petitioning the court for relief and provide any information necessary to support their claim. Court policy should specify how the waiver of a debt is recorded in the court record and include audit controls to prevent unauthorized reduction of debt by court employees.

Amounts owed on cases may not be waived or suspended through administrative order or without notice to intended recipients of amounts owed.

Incarceration, Deferral of Obligation, Release

When a debtor is incarcerated, the financial obligation may be suspended until the debtor is released. Court policy should specify how the debtor's status would be monitored, the debtor's obligation to inform the court of his/her release, and how long after release the obligation will be re-activated.

Bankruptcy Proceedings – Stay of Obligation

When the court is notified of bankruptcy proceedings against a debtor, procedures should specify when to place debts in suspended status pending the outcome.

*****SAMPLE POLICY FORMAT*****

CONVERSION OF FINANCIAL OBLIGATIONS TO COMMUNITY SERVICE

PURPOSE OF POLICY:

To establish procedures and guidelines for post-sentence conversion of financial obligations to community service when granted by the court due to indigence.

RESPONSIBILITY:

Court recorder or courtroom clerk; deputy court clerk (criminal division); division bookkeeper.

PROCEDURE:

Courtroom:

1. Prior to calling the case, have the bailiff provide the defendant with a Financial Statement form and clipboard. Instruct the defendant to complete and sign the form. Once completed, insert the Financial Statement in the court file for the judge.
2. Upon order of the judge converting outstanding financial obligations to community service, enter information on the signed Judgment and Sentence indicating the amount of penalty waived and the hours or days of community service ordered. Be sure that a completion date is indicated for the community service. Provide a copy to the defendant and one to the transport officer if the defendant is in custody. Return the case file with the original Judgment and Sentence to the clerk's office.

Clerk's Office:

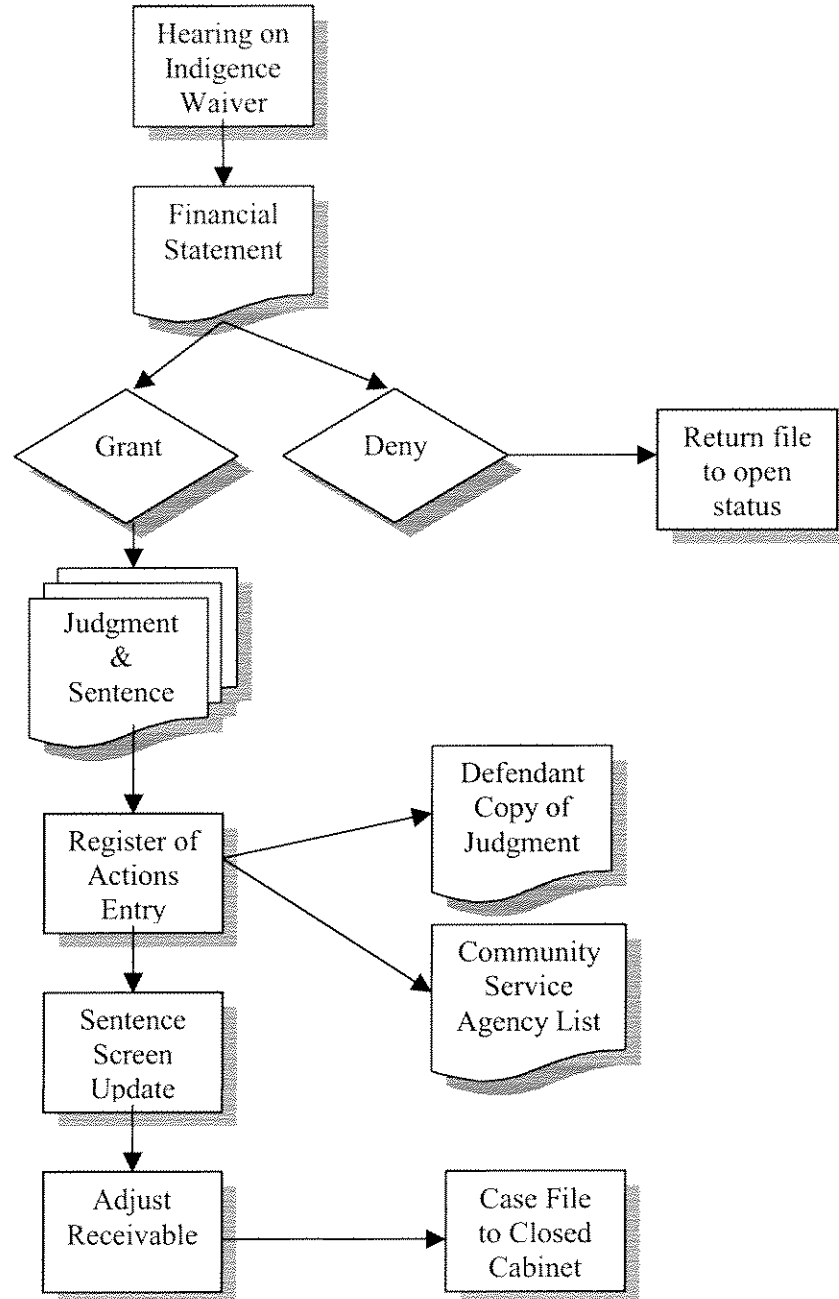
1. Check the court file and the Judgment and Sentence form for completeness.
2. Verify that the defendant has received a copy of the Judgment and Sentence and understands the conditions and terms. Provide the defendant with the list of eligible volunteer agencies and activities. Retain the court copy of the Judgment and Sentence in the court file.
3. Enter the court action into the register of actions, indicating hours or days of community service and any special conditions. Indicate the amount of financial obligations waived. Post this information to the sentence screen.
4. In the financial system, suspend the balance of financial obligations for the case as ordered by the judge. Use the action code for "waiver due to indigence."
5. Return the file to the closed filing cabinet.

Bookkeeper's Desk:

1. At month-end, verify all entries appearing on the Negative Adjustments Report to verify that the proper adjustment was made to the receivable record by verifying the adjustment against the original court order.

SAMPLE COLLECTIONS PROCESS FLOWCHART

PROCEDURE FOR CONVERSION OF FINANCIAL OBLIGATIONS
TO COMMUNITY SERVICE



SCAO MODEL WRITE-OFF POLICY

1. At or near the end of every fiscal year, the court administrator will review all debts to determine which are eligible for write-off.

A. Except as provided in 1.B. below, uncollectible debts are eligible for write-off if they have aged according to the following schedule:

- Traffic civil infractions - 2 years after assessment
- Non-traffic civil infractions - 2 years after assessment
- Criminal cases - 3 years after assessment, probation discharge, or release from incarceration, whichever occurs last

Juvenile cases:

- Traffic - 2 years after jurisdiction ends
- Delinquency - 3 years after jurisdiction ends
- Child protective proceedings - 3 years after jurisdiction ends

The court shall not rescind any bench warrants issued for nonpayment of debts that are written off under this subsection.

B. Debts shall be eligible for write-off regardless of payment history, contact with debtor, and age of debt in the following instances:

- i. the debtor is deceased
- ii. the debt is discharged in bankruptcy
- iii. the estimated costs of collecting the debt exceed 1.5 times the amount of the debt

The court shall rescind any bench warrants issued for nonpayment of debts that are written off under this subsection.

2. Court staff shall provide the following information to the court administrator to support the recommendation for write-off: debtor name, case number, date of judgment, amount assessed, amount unpaid, efforts undertaken to collect the debt, and reason for write-off.
3. The court administrator shall review the debts recommended for write-off and determine those to approve. The court administrator may write-off some debts owed by a debtor and not others. The case files and automated information system shall be updated to indicate the date the debt(s) were written off.
4. The court must be able to accept payment for all debts that are written off. If a partial payment is accepted on a debt that has been written off, the debt shall be returned to active status and appropriate collection efforts resumed.
5. Debts owed by prisoners who have been sentenced to more than 5 years in prison and who have not made payments during the first 12 months of their term of imprisonment shall be written off. As part of the annual write-off process, the court administrator shall

review debts written off under this section to determine whether they should be returned to active status.

6. If circumstances change to allow collection efforts to resume, a written-off debt shall be reinstated to active status.

STATE OF MICHIGAN	FINANCIAL STATEMENT	CASE NO.
Court address		Court telephone no.

PERSONAL INFORMATION				
Name (last, first, middle)		Date of birth		Social security no.
Address: <input type="checkbox"/> house <input type="checkbox"/> apartment <input type="checkbox"/> lot no.		City		Zip
Home phone no.	Work phone no.	Cellular phone no.	Driver's license no.	State
Mailing address (if different than above)		Marital Status: <input type="checkbox"/> single <input type="checkbox"/> married <input type="checkbox"/> separated <input type="checkbox"/> widowed <input type="checkbox"/> divorced If divorced, date final _____		
Name and address of nearest living relative		Relationship		Phone no.
Names of dependents		Date of birth	Student (Yes/No)	College or University
Employer #1: (Company name & address)				Length of Employment
Employer #2: (Company name & address)				Length of Employment
If self-employed, type of business/trade:		If unemployed, source of support: <input type="checkbox"/> General Assistance <input type="checkbox"/> SSI <input type="checkbox"/> Food Stamps <input type="checkbox"/> AFDC		
Have you ever filed for bankruptcy? <input type="checkbox"/> Yes <input type="checkbox"/> No		If yes, date filed:		Date completed:
ASSETS				
Vehicle #1		Year / Make		Present Value \$
Vehicle #2		Year / Make		Present Value \$
Bank/Financial Account #	Name & Address of Financial Institution			Present Balance \$
Bank/Financial Account #	Name & Address of Financial Institution			Present Balance \$
Bank/Financial Account #	Name & Address of Financial Institution			Present Balance \$
Investment/Brokerage Account #	Name & Address of Financial Institution			Present Balance \$
Other Property such as real estate, boats, snowmobiles (describe):				Value \$
TOTAL ASSETS:				\$

MONTHLY INCOME		MONTHLY EXPENSES	
Gross Monthly Income (self)	\$	Mortgage or Rent	\$
Gross Monthly Income (spouse)	\$	Utilities	\$
Unemployment Benefits	\$	Vehicle Payments	\$
Social Security	\$	Insurance (vehicle/health/life)	\$
Retirement/Pension Benefits	\$	Other Loan Payments	\$
Child Support	\$	Child Support/Alimony	\$
Alimony/Maintenance	\$	Medical Payments	\$
Disability	\$	Court Payments	\$
Veteran's Benefits	\$	Other:	\$
Interest/Dividends	\$		
Other (cash):	\$		
TOTAL INCOME	\$	TOTAL EXPENSES	\$

I certify under penalty of perjury that the foregoing is a complete and accurate statement of my income, assets, and expenses, and that I have no other additional income. I will supply supporting documentation of income and debts upon request.

Date

Signature

APPENDIX A1

Model Write-Off Policy





MODEL WRITE-OFF POLICY

MICHIGAN TRIAL COURT COLLECTIONS

Purpose

The purpose of this policy is to establish procedures for writing off court receivables in order to:

- a) accurately portray the value of amounts owed to the court; and
- b) preserve the ability of the court to maximize collections.

Definitions

Active debt - An active debt is a debt which is past its due date and which the court is attempting to collect through appropriate methods.

Debt - A debt is an amount owed to the court by an individual or entity as a result of the adjudication of a case. Debts include the following, if unpaid: fines, fees, costs, assessments, and reimbursements (except reimbursement to local governmental units for drunk driving cases). For purposes of this policy, "debt" does not include restitution.

Uncollectible - A debt is uncollectible if all opportunities to collect it have been exhausted (including all statutorily-mandated procedures, such as noticing, license suspension, etc. where appropriate), there has been no payment activity or contact with the debtor for the immediately preceding 12 consecutive months, and there is no reason to believe the court will be able to collect any of the debt in the future.

Write-off - Uncollectible debts meeting the criteria found in this policy are written off, which indefinitely suspends collection efforts and removes the debts from the court's list of receivables. Only uncollectible debts may be written off.

Responsibilities

The chief judge shall designate the court administrator to be responsible for administering this policy and making all decisions to write off debts. Court staff with responsibility for collections will assist the court administrator in identifying debts which warrant write-off.

Process

1. At or near the end of every fiscal year, the court administrator will review all debts to determine which are eligible for write-off.
 - A. Except as provided in 1.B. below, uncollectible debts are eligible for write-off if they have aged according to the following schedule:

Traffic civil infractions	2 years after assessment
Non-traffic civil infractions	2 years after assessment



Juvenile cases:

Child protective proceedings 3 years after jurisdiction ends

- i. the debtor is deceased;
- ii. the debt is discharged in bankruptcy;
- iii. the estimated costs of collecting the debt exceed 1.5 times the amount of the debt;

2. Court staff shall provide the following information to the court administrator to support the recommendation for write-off: debtor name, case number, date of judgment, amount assessed, amount unpaid, efforts undertaken to collect the debt, and reason for write-off.
3. The court administrator shall review the debts recommended for write-off and determine which ones to approve. The court administrator may write-off some debts owed by a debtor and not others. The case files and automated information system shall be updated to indicate the date the debt(s) were written off.
4. The court must be able to accept payment for all debts which are written off. If a partial payment is accepted on a debt which has been written off, the debt shall be returned to active status, and appropriate collection efforts resumed.
5. Debts owed by prisoners who have been sentenced to more than 5 years in prison and who have not made payments during the first 12 months of their term of imprisonment shall be written off. As part of the annual write-off process, the court administrator shall review debts written off under this section to determine whether they should be returned to active status.
6. If circumstances change to allow collection efforts to resume, a written-off debt shall be reinstated to active status.



MODEL WRITE-OFF POLICY

MICHIGAN TRIAL COURT COLLECTIONS

Write-off vs. judicial waiver

This policy establishes criteria and procedures for writing off debts which are uncollectible. Write-off is an *administrative* procedure to remove a debt from the list of amounts the court can expect to collect. **Write-off of uncollectible debts from the court's accounts receivable ledger does not constitute forgiveness of the debt; written-off debts are still payable by the debtor.**

In some instances, a case may warrant the partial or complete waiver of a debt, which is a *judicial* action to forgive a debt. Examples of debts which may be candidates for waiver include: the debtor claims indigence, the debtor disputes the validity of the assessment, or the debtor has requested a waiver. Debts which may warrant waiver must not be written off; instead, the court administrator should refer them to the chief judge for consideration.

APPENDIX A5

Tips and Ideas for
Successful Collections





TIPS AND IDEAS FOR SUCCESSFUL COLLECTIONS

MICHIGAN TRIAL COURT COLLECTIONS

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- ▶ Make sure your invoices are clear, precise, and correct before mailing.
- ▶ You are not the villain. Assume the role of “solutions provider.”
- ▶ Have a clearly defined method of handling accounts receivable.
- ▶ Send out invoices promptly.
- ▶ Ask for payment by a specific date.
- ▶ Record the date and content of all calls.
- ▶ Have a predetermined schedule for follow-up letters to non-payers.

Six Characteristics of a Good Collections Agent

1. **Listening**
Listen with an open mind - you're much more likely to receive payment if the debtor perceives you as someone who is trying to help them satisfy their obligation.
2. **Good record-keeping**
Document all conversations with the debtor, and keep your information up-to-date.
3. **Ability to pick up relevant facts**
Those who owe money will often provide long streams of information, most of which is irrelevant, but some of which provides valuable clues to their situation and their ability to pay.
4. **Knowledge of what your court will or will not do to collect**
Know your court's collection policies and procedures.
5. **Creative thinking**
Suggest several solutions - it will help debtors realize that the debts *must* be paid, and that you are willing to work with their problems.



TIPS AND IDEAS FOR SUCCESSFUL COLLECTIONS

MICHIGAN TRIAL COURT COLLECTIONS

6. Flexibility

Resist the urge to panic or get angry; try to see the issue from the clients' point of view.

Six Tips for Calling to Collect a Debt

1. **Be Consistent** - apply your court's policies consistently with all who owe money, reserving your discretion for situations that would benefit from flexibility.
2. **Have a Daily "To-Do" List** - listing the items you need to accomplish will help you accomplish them.
3. **Follow Up** - prompt follow-up makes the debtor know you're serious about collecting.
4. **Start in Neutral** - take a break when things aren't going well, so you're fresh for the next call.
5. **Make Your Payment Important to the Debtor** - build rapport by establishing a first-name basis.
6. **Be Prepared** - have all the information you need before you dial.

Tone of Voice is Important

When we communicate by phone, we lose the ability to read physical cues. Tone of voice is our only means of reading what the person thinks. The same is true for the collector - remember that tone is important, and can often determine the success of a collections call.

Read the following sentences aloud with a partner, each time emphasizing the word in bold. Note the difference in meaning produced by the simple difference in tone.

"I never said he stole money."

"I **never** said he stole money."

"I never **said** he stole money."

"I never said **he** stole money."

"I never said he **stole** money."

"I never said he stole **money**."



TIPS AND IDEAS FOR SUCCESSFUL COLLECTIONS

MICHIGAN TRIAL COURT COLLECTIONS

Ten Tips Before You Pick Up the Phone

1. Have records on screen or in a file in front of you.
2. Be specific.
3. Moderate your voice, keep your tone neutral and assume an error has been made somehow, somewhere, especially if this is the first reminder call.
4. Listen carefully to the response. If you get a general excuse like "I don't have the money," probe a bit. Ask questions. See if the person ever will have the money.
5. Get to the person who actually owes money.
6. Get a date commitment if you can. Then you can follow up promptly if the date is missed.
7. Follow-up notes or letters documenting calls asking debtors to let you know if they disagree with the arrangement that were made, will ensure that everyone is on the same page while you pursue the debtor.
8. Tape calls to keep on track, especially if you have a short memory. Tell clients that all calls are recorded. Some clients feel threatened by recorders. Others just realize you mean what you say when you come after the. Feeble excuses sound even weaker on tape.
9. Listen to yourself on tape. Correcting bad speech habits such as an unsure, questioning, insecure-sounding raise of tone at the ends of sentences, or a tendency to repeat useless words such as "like", is easier after listening to yourself in real-life situations.
10. NEVER! NEVER! NEVER get mad, swear, cry or scream no matter how much you want to. After you've handed the call on to a colleague or told the client you will call back, scream! Use the same approach for clients who get mad at you: hand them on or call back later. You do not have to listen to verbal abuse from someone who owes your court money. Refuse to accept unprofessional behavior from others. Refuse to behave unprofessionally yourself.



TIPS AND IDEAS FOR SUCCESSFUL COLLECTIONS

MICHIGAN TRIAL COURT COLLECTIONS

Dealing With Excuses: *Let the client talk - mixed within his or her rambling is often valuable nuggets of information which can help you determine the likelihood that they will pay.*

Seven Great Tips for Keeping Your Cool

Lower your voice
Speak more slowly
Avoid humor
Do not get angry back at the client
Use the person's name
Pass the client on to a colleague
Keep on topic

False Presumptions Collectors Often Make

1. Never presume debtors know what to do to solve a problem.

You may think it's perfectly obvious that if a check has gotten lost in the mail, debtors would cancel the check and reissue. If you have a solution, however simplistic and obvious it may seem to you, share it with the debtor. Don't give him or her the opportunity to make even more excuses by saying they didn't know what to do about the problem.

2. Never presume debtors have the same priorities you have.

You may think your check is important, but other people may not. What you consider frivolous may be given priority by others. You may always pay your debts promptly, but don't expect others to do so, too.

The Four Basic Parts of a Good Collection Letter

Who - a name is always preferable

Why - the reason you are writing. "Your account is past due." "The check you promised did not come on March 5, 1999."



TIPS AND IDEAS FOR SUCCESSFUL COLLECTIONS

MICHIGAN TRIAL COURT COLLECTIONS

What - action the debtor should do to rectify matters and what will happen if they don't comply.

When - all the relevant dates and times. Examples: due date, invoice date, last contact date/time, letter sent date, debtor's time limits, etc.

Attitude is Important

Collecting debts can be a draining activity. It is important that you keep a proper attitude when approaching your collections work: letting it get you down makes you less likely to want to do it, and less effective when you do. In short, a bad attitude makes the job even tougher. Here are three ways to improve your attitude, to keep you fresh:

- 1) Have empathy for the person who owes money - put yourself in their shoes.
- 2) Look below the surface - a successful collector knows how to read between the lines and extract useful information about the debtor's circumstances.
- 3) Take care of yourself - if you're having a bad stretch of calls, take a break. You're likely to gain more in productivity from being refreshed than you'll lose from taking a few minutes off.



Michigan Supreme Court
State Court Administrative Office
Michigan Hall of Justice
P.O. Box 30048
Lansing, MI 48909
Phone: (517) 373-0130
John D. Ferry, Jr., State Court Administrator

DATE: July 16, 2004

TO: Chief Circuit Judges, Chief District Judges, Presiding Family Division Judges
cc: Court Administrators, County Clerks, Juvenile Registers

FROM: John D. Ferry, Jr.

RE: State Court Administrative Memorandum 2004-09
SCAO Approved Forms MC 288 and MC 290

To assist courts with collecting outstanding financial obligations from criminal defendants sentenced to the Department of Corrections (DOC), the State Court Administrative Office (SCAO) has approved form MC 288, Order to Remit Prisoner Funds for Fines, Costs, and Assessments, and form MC 290, Satisfaction of Financial Obligation.

SCAO has worked with DOC to develop a process and form that will enable an effective process to collect funds available from prisoner accounts for payment toward fines and costs. The process mirrors the current process used by DOC to collect funds for payment of restitution.

Effective immediately, courts should use form MC 288 for all financial sanctions ordered by the court, **excluding** restitution. Because DOC is already required by statute (MCL 791.220h) to collect for restitution, restitution is **not** to be included on form MC 288. When a circuit court sentences a defendant to prison, the MC 288 form should be attached to the judgment of sentence.

When issuing the order to remit prisoner funds (MC 288) for old circuit court cases, it is not necessary to attach the judgment of sentence. DOC will have already been notified to collect for restitution based upon the restitution amount reflected on the judgment of sentence originally submitted. When a district court issues an order to remit funds, or when a circuit court issues an order to remit funds on a case for which the prisoner was not sentenced to prison, a copy of the judgment of sentence should be included with the MC 288 form.

Payments received from DOC should be distributed as required by statute. MCL 775.22 requires that payments be distributed 50% to victim payments (crime victim rights and restitution) and 50% in the following order of priority: state minimum costs, other costs, fines, probation or parole supervision fees, assessments, and other payments.

The satisfaction of financial obligation (MC 290) should be issued to DOC when the court-ordered financial obligation, including restitution, is paid in full.

The forms are available at <http://courts.michigan.gov/scao/courtforms/generalcriminal/gcrindex.htm>.

Questions may be directed to Beth Barber, Trial Court Collections Project Manager, by phone (517-373-5895) or e-mail (barberb@courts.mi.gov).

Approved, SCAO

STATE OF MICHIGAN JUDICIAL CIRCUIT JUDICIAL DISTRICT	ORDER TO REMIT PRISONER FUNDS FOR FINES, COSTS, AND ASSESSMENTS	CASE NO.
---------------------------------------------------------------------	----------------------------------------------------------------------------	-----------------

Court address

Court telephone no.

THE PEOPLE OF <input type="checkbox"/> STATE OF MICHIGAN
<input type="checkbox"/> _____

v

Defendant's name	
Prisoner no.	DOB
SID	

Institution name and address

THE COURT FINDS:

1. The defendant owes a balance of \$ _____, **not including restitution** which is collected by the Department of Corrections in accordance with MCL 791.220h, for the obligation ordered in the judgment of sentence or other order dated _____ . (copy of judgment of sentence or order attached).

IT IS ORDERED:

2. For payment toward the obligation, the Department of Corrections shall collect 50% of all funds received by the defendant over \$50.00 each month.
3. If the amount withheld at any one time is \$100.00 or less, the Department of Corrections shall continue collecting funds from the defendant's prisoner account until the sum of the amounts collected exceeds \$100.00, at which time the Department of Corrections shall remit that amount to this court to ☐ the address above. ☐ the following address:
4. Withdrawal from the defendant's prisoner account and remittance to this court shall continue until the obligation is paid in full. If the defendant transfers to a facility at which an institutional account is not maintained, or if the defendant is paroled, discharged, or dies, any withheld funds shall be remitted to this court.

Date

Judge

Bar no.

CERTIFICATE OF MAILING

I certify that on this date I served copies of this order on the warden or supervisor of the facility where the prisoner is incarcerated and on the prisoner by ordinary mail at the above address.

Date

Signature

Approved, SCAO

Original - Court
1st copy - Institution/Facility
2nd copy - Prisoner

STATE OF MICHIGAN
JUDICIAL DISTRICT
JUDICIAL CIRCUIT

SATISFACTION OF FINANCIAL OBLIGATION

CASE NO.

Court address

Court telephone no.

THE PEOPLE OF ☐ STATE OF MICHIGAN



v

Defendant's name

Prisoner no.

DOB

SID

Institution name and address

On _____ this court entered an order to remit prisoner funds for payment toward
Date
an obligation ordered in a judgment of sentence or other order.

That financial obligation has been paid in full to the court as of _____
Date

Date

Court clerk/Deputy court clerk

CERTIFICATE OF MAILING

I certify that on this date I served copies of this satisfaction on the warden or supervisor of the facility where the prisoner is incarcerated and on the prisoner by ordinary mail at the above address.

Date

Signature



Michigan Supreme Court

State Court Administrative Office

Trial Court Services Division

Michigan Hall of Justice

P.O. Box 30048

Lansing, Michigan 48909

Phone (517) 373-4835

February 25, 2005

TO: Chief Judges
cc: Court Administrators
County Clerks
Automated System Providers
Regional Administrators

FROM: Elizabeth A. Barber
Trial Court Collections Project Manager

RE: Matching Circuit Court Cases to Electronic File of Inmates and Generating
Orders to Remit Prisoner Funds (MC 288)

To assist your court with collecting outstanding financial obligations from criminal defendants sentenced to the Department of Corrections (DOC), the State Court Administrative Office (SCAO) is offering information to you and your automated system provider that should allow you to develop a program that matches circuit court cases with non-restitution balances to an electronic file of prisoners provided by the DOC. This program should generate orders to remit prisoner funds (form MC 288) in institution order for all successful matches.

DOC will provide SCAO with updated files in March, June, and September 2005. Because the prison population continually changes, this match should be performed immediately after receipt of one of the DOC files.

The DOC file that will be provided to you is an ASCII text file. Fields may need to be manipulated prior to performing a match. For example, the name format in your automated case management system may differ from the name format in the DOC file.

The program should attempt to match the following information from your case management system to the DOC file:

- Name.
- Date of birth.
- State identification number (SID), if available.
- Criminal tracking number (CTN).
- Case number.

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It should be noted that the CTN and case number will only match if the defendant was sentenced to the DOC on that particular case.

The program should generate a report of cases with at least one match sorted by the number of matches. This report should be reviewed to determine which matches are reliable; orders to remit prisoner funds should be generated based on the number of matches. In addition, your system should provide an option to add an event to the case file when the orders are generated.

Because orders to remit prisoner funds will be generated utilizing defendant balances per the automated system, these balances must be up to date and accurate in your system. Form MC 288, Order to Remit Prisoner Funds for Fines, Costs, and Assessments, should be utilized for all financial sanctions ordered by the court, **excluding** restitution. Form MC 288 is available at <http://courts.michigan.gov/scao/courtforms/generalcriminal/mc288.pdf>.

SCAO will provide the DOC file to your court with the understanding that:

1. The purpose of sharing this information is so the court can identify prisoners who have outstanding court debts.
2. The information provided to the court will be held confidential and used only for the purpose of preparing orders to remit prisoner funds.
3. The court will submit reports (biannually or annually) to SCAO that reflect amounts collected as a result of the orders to remit prisoner funds.

It is anticipated that this will be a one-time match that will allow your court to automatically generate orders to remit prisoner funds for old circuit court cases where an order has not been issued.

The following is **effective immediately**:

When your court sentences a defendant to prison, (currently your court may not be issuing orders to remit prisoner funds), the order to remit prisoner funds should be issued and attached to the judgment of sentence.

Requests for the DOC file and questions may be directed to me at (517) 373-5895 or by e-mail at barberb@courts.mi.gov.

REVISED JUDICATURE ACT OF 1961 (EXCERPT)
Act 236 of 1961

600.4803 Penalty, fee, or costs; failure to pay as subject to late penalty; waiver; disposition of late penalty; "funding unit" defined.

Sec. 4803. (1) A person who fails to pay a penalty, fee, or costs in full within 56 days after that amount is due and owing is subject to a late penalty equal to 20% of the amount owed. The court shall inform a person subject to a penalty, fee, or costs that the late penalty will be applied to any amount that continues to be unpaid 56 days after the amount is due and owing. Penalties, fees, and costs are due and owing at the time they are ordered unless the court directs otherwise. The court shall order a specific date on which the penalties, fees, and costs are due and owing. If the court authorizes delayed or installment payments of a penalty, fee, or costs, the court shall inform the person of the date on which, or time schedule under which, the penalty, fee, or costs, or portion of the penalty, fee, or costs, will be due and owing. A late penalty may be waived by the court upon the request of the person subject to the late penalty.

(2) Within 30 days after receiving a late penalty, the clerk of the court shall transmit the amount received to the treasurer or chief financial officer of the funding unit of the court, for deposit in the general fund of the funding unit.

(3) As used in this section, "funding unit" means 1 of the following as applicable:

- (a) For the circuit court, each county in the circuit.
- (b) For the recorder's court of the city of Detroit, the county.
- (c) For the district court, the district funding unit of the district, as defined in section 8104.
- (d) For a municipal court, the political unit where the municipal court is located.

History: Add. 1993, Act 317, Eff. Jan. 1, 1994;—Am. 1996, Act 374, Eff. Oct. 1, 1996.